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OLD LADY GETS A $42 MN. FACELIFT

New York Times

OSLO — Her destiny might have been Montreal and hostess for the casino crowd. But already more than 20,000 people, mostly from North America, have applied for berths on the world's largest ocean going liner once called the France and now the Norway.

Soon she will be starting a new more democratic way of life as a Caribbean cruise ship sailing out of Miami next summer.

The rush for reservations comes as no surprise to the new owner of this huge luxury liner. For 14 years, she plied the Atlantic as a floating symbol of French prestige with 5 dance bands, 2 swimming pools, 30 chefs and 10,000 bottles of champagne.

Knut Kloster, a youthful-looking, 50-year-old Norwegian shipowner who bought the France for $18 million earlier this summer from Akram Ojjeh, a Paris-based Arab businessman, already claims to be the biggest cruise operator in the Caribbean market.

Last week the four ships of his Norwegian Caribbean Line, all of which sail from Miami, carried some 150,000 passengers down to the blue waters of St. Thomas and the outer Bahama islands on a variety of four- to seven-day cruises, netting a profit of some $8 million.

But Mr. Kloster believes the market could be much bigger. "We already turn away almost as many passengers as we carry," he said. "The American population is opening up like a flower to the idea of Caribbean cruises."

Controversy

The important thing, in Mr. Kloster's view, is not to disappoint this pent-up demand for cruises and encourage people to look for other kinds of vacation instead. "Buying the France is a way of consolidating our position in the market," he said. It will allow him to satisfy 100,000 additional cruise-hungry North Americans each year.

Mr. Kloster's decision to buy the France and the strains it placed on Gallic pride earned him a good deal of unsought publicity this summer, which is also helping bring in the reservation requests, although the liner is still being refitted at a West German shipyard.

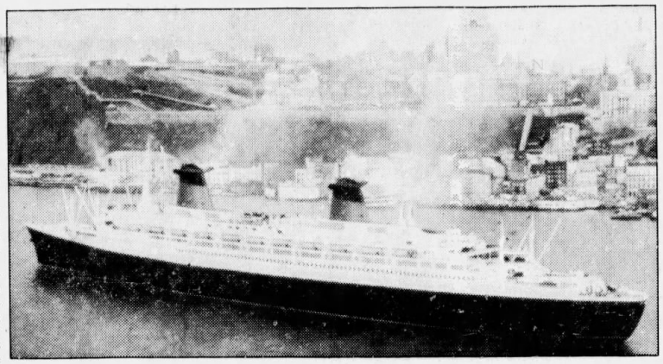
The French Government, fed up with the ship's mounting losses, swallowed its pride back in 1974 and decided there was no economic future for a luxury liner in an age of rising oil prices, jumbo jets and the Concorde supersonic airliner. But the France's next owner, Akkram Ojjeh, also quickly found her to be a white elephant when his plans to create a floating hotel fell through.

However, the moment Mr. Kloster bought the ill-starred liner with the idea of converting her into a cruise ship, the French unions, the principal opposition parties and much of the press were immediately up in arms, asking why the Government did not do the same thing itself, thus saving French jobs.

Whether the French seamen's unions would ever have accepted the crewing reductions needed to make the France economic again as a cruise ship is an open question. But the union protests became even fiercer after Mr. Kloster confirmed Hapag-Lloyd of Bremen had underbid the French shipyards.

The France's departure for her new life under Norwegian colors was ignominous in the extreme. Just after 3 A.M. on the chilly, wet morning of Aug. 18, two Dutch tugs towed the ship out of Le Havre after French tug masters refused the work, while 400 riot policemen battled militant Communist dockers protesting the departure.

Mr. Kloster is now giving the Norway a $42 million face lift at Bremen. The forward engine room is being ripped out, reducing the ship's maximum speed from 33 to 17 knots but cutting the fuel bill by more than half. The firstand tourist-class passenger sections will be fused together to make a single-class vessel, while 75 additional cabins are being carved out of ballrooms and lounges.



The stately France made a visit to Quebec City in 1967 . . . now she is known as the Norway.

The spacious first-class promenade deck, well protected against the Atlantic weather, is being opened up in preparation for balmier climes and packed with gift shops. No longer will the dining room boast a full-time caviar waiter, or breakfast eggs cooked 10 different ways.

Mr. Kloster seems unsentimental. Although wealthy, Scandinavian egalitarianism has clearly left its mark on him. In the office he dresses in a short-sleeved shirt, old wool pullover and nondescript gray-flannel trousers. He addresses his staff in Norwegian, using the familiar "du," and speaks with affection of middle-aged American passengers in Bermuda shorts and flowered shirts dancing on the decks of his cruise ships.

When refitted the Norway will join his other four ships on "the milk run" down from Miami to the duty-free shops of St. Thomas in the Virgin Islands and then back through the Bahamas. Mr. Kloster is negotiating to buy a small Bahamian island called Little San Salvador to assure that his ships can always put in for an afternoon of swimming and lazing on the beach.

To be successful in the cruise business, "you have to offer a balanced experience. That means sophistication, duty-free shops and back to nature — lying in the sun on a deserted tropical island." The other prerequisite is to offer "fly and sail" packages, worked out with the airlines and sold directly by travel agents.

Mr. Kloster is the third generation of his family to head the company, which now employs 130 people in Miami but only 30 in the Oslo office. When crews are included, its payroll exceeds 3,000.

Founded by his grandfather in 1905, Kloster-Lauritz was originally engaged in traditional cargo trade like most other Norwegian shipping concerns. But in 1966 Mr. Kloster made the critical switch from cargo traffic to the business of selling Caribbean cruises to Americans.

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